

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604

NOV 30 2010

DATE:

SUBJECT: Clean Air Act Inspection of Agri-Fine Corporation
Chicago, IL

FROM: Eleanor Kane, Environmental Engineer
Air Enforcement and Compliance Assurance Section (WI/MI)

THRU: Bonnie Bush, Chief
Air Enforcement and Compliance Assurance Section (WI/MI)

TO: File

Date of Inspection Wednesday, November 10, 2010

Attendees Eleanor Kane, EPA Environmental Engineer
Kushal Som, EPA Environmental Engineer
Erik Hoelzeman, Agri-Fine Corporation, V.P. of Operations
Andrew Rubio, Agri-Fine Corporation, Plant Manager
Mike Hoelzeman, Agri-Fine Corporation, President/CEO

Company Description and Background

Mailing Address: 2701 East 100th Street
Chicago, IL 60617

Phone Number: (773) 978-5130

Primary Contact: Mike Hoelzeman

Agri-Fine Corporation converts soapstock, a by-product of the food-oil production industry, into an ingredient for animal feed using an acidulation process. They began operation in 1985 and currently employ about 30 employees.

Purpose of Inspection

To assist in determining compliance with rules and regulations promulgated under the authority of the Clean Air Act.

Entrance and Opening Conference Summary

We (Eleanor Kane and Kushal Som of the United States Environmental Protection Agency) arrived at the Agri-Fine Corporation facility, located in Chicago, Illinois, (“the facility” or “Agri-Fine”) at approximately 10:50 AM on Wednesday, November 10, 2010. We presented our credentials to the security guard at the gate and told him we would like to speak with an environmental manager or plant manager. We were promptly greeted by Mr. Andrew Rubio, the Plant Manager. He led us inside to the conference room where we were joined by Mr. Eirk Hoelzeman, Vice President of Operations, and a bit later by Mr. Mike Hoelzemann, President and CEO.

We explained that we were there to perform an inspection under the Clean Air Act and that we would like an overview of the plant processes, including information about environmental controls, and a tour of the facility. We informed them that if we discussed anything Agri-Fine considered to be Confidential Business Information (CBI), they should let us know and we would treat it as such. Mike and Andrew emphasized that given the competitive nature of the business, all process and production information should be considered CBI. **All information identified as confidential has been removed from this report.**

Andrew and Erik explained the company’s goals and processes. Agri-Fine takes in a by-product (or waste product) from facilities that produce food oils from soybean, corn, peanuts, sunflower and assorted other crops. That input, known as soapstock, is a mix of about 50% fat and 50% water in an emulsified form. Agri-Fine acidifies the soapstock to separate the fat from the liquid and produces a homogenized oil product which is used as an ingredient in animal feeds.

Andrew, Erik and Mike provided us with a plant schematic (which is considered CBI) and walked us through the process and described each part of the facility. Soapstock arrives at the facility in rail cars or trucks from which it is pumped into one of three holding tanks. An additional array of blending/storage tanks is used to homogenize the stock.

The blended input is then pumped process tanks where the separation occurs. Sulfuric acid is pumped from enclosed, pressurized tanks into the process tanks as needed to reduce the pH sufficiently to separate the fat from the water. Oil is then pumped off the top into product tanks, and water is pumped from the bottom into wastewater treatment system.

Treated wastewater is discharged to the Metropolitan Water Reclamation District.

A scrubber was installed in 1986. The scrubber includes an automatic pH check and adjustment, but it is also manually monitored. Mike explained that the scrubber is the first piece of equipment to be turned on in the morning and the last to be turned off when production ends. He explained that Agri-Fine is the only one of six competitors which

operates with a scrubber (and many competitors process outdoors). The scrubber was originally oversized and thus can still meet the facility's expanded capacity.

Finished oil product is pumped to a storage tank. The final product is stable, and air from these tanks is not vented to the scrubber. Outgoing product leaves the facility in bulk via rail cars.

We went over the size and use of the various tanks on the site.

We discussed any odor issues, and Mike and Erik postulated that any odors likely come from the loading and unloading process. They assert these odors are not hazardous. Usually the smell from the incoming soapstock is a natural, food/farm smell, but some railcars that arrive have a more unpleasant, organic odor.

We asked about operating hours and Andrew explained that it varies and is determined by the supply of soapstock from the oil production industry. The plant can operate 24/7.

The facility also has two steam generators.

We discussed some of the facility history. The facility was built in 1984 as a father-son operation, and began production in 1985. Mike Hoelzeman bought out his father about six years ago.

Facility Tour

We began our tour of the facility in the lab, where technicians test product for fatty acids and other parameters.

We then saw the scrubber, and exited the building to see the stack venting from the scrubber to the atmosphere. We proceeded to walk through the outside area with the storage tanks and blending tanks, and then an enclosed area where the wooden process tanks are located.

Next we saw the pressurized sulfuric acid storage tanks, the air compressing system, the steam generators (two 11.9 million BTU units) and the wastewater treatment plant.

This was the conclusion of the facility tour, and we returned to the conference room for the closing conference.

Closing Conference

In our closing conference, we went over some follow-up questions.

We discussed EPA procedures for handling citizen complaints, facility inspections, Freedom of Information Act requests and confidential business information.

We requested and received copies of two annual emissions reports that were submitted to the IEPA in compliance with their operating permit.

We asked about maintenance of the scrubber, and inspected the scrubber logbook. We asked to see maintenance records, but those have reportedly been stolen by a disgruntled former employee. Agri-Fine is currently litigating this issue. Mike emphasized that they have had no maintenance issues over the years with the scrubber.

We also asked some final questions about odors from the loading and unloading process. Mike and Andrew emphasized the variability of the truck and rail cars, and the difficulty in assessing or dealing with those odors.

We thanked the company representatives for their time and left the facility at approximately 1:15 PM.

Standard bcc's: Official file copy w/attachment(s)

Other bcc's: Kushal Som, AE-17J

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